

FRONTIER EXTENDED STAY CLINIC DEMONSTRATION

Fact Sheet, August 24, 2006

Statutory Authority Congress established “The Frontier Extended Stay Clinic (FESC) Demonstration Project,” under section 434 of the Medicare Modernization Act. The FESC demonstration addresses the needs of seriously or critically ill or injured patients who, due to adverse weather conditions or other reasons, cannot be transferred to acute care referral centers, or patients who need monitoring and observation for a limited period of time. The statute grants a waiver to Medicare rules in order to conduct this demonstration.

Requirements The FESC must be located in a community which is at least 75 miles away from the nearest acute care hospital or critical access hospital, or which is inaccessible by public road. The FESC demonstration will last for three years. Unless reauthorized, at the end of this period, the FESCs will lose their certification as Medicare FESC providers. This demonstration must be budget neutral.

Conditions of Participation The request for proposals describes CMS project guidelines, conditions of participation, and application instructions for the demonstration. CMS will collaborate on certification of FESC providers with the licensure department of each state in which a FESC is awarded a demonstration. At a minimum, Medicare providers are to comply with CMS requirements. In instances where State law is more stringent than CMS requirements, providers should comply with State law. In situations where the state either cannot or chooses not to establish a licensure category or rules for the FESC provider, these conditions of participation stated in the RFP will apply. An example of this would be for Indian Health Service and tribal facilities.

Extended stays of patients will be limited to two types of situations:

(i) The patient who meets Medicare criteria for acute hospital admission and cannot be transported to an acute care hospital because of adverse weather conditions or other transportation problems such as a delay in air transportation. In such cases, the patient is required to be transferred as soon as possible, once weather conditions permit or transportation is available.

(ii) Prudent clinical judgment determines that a patient who does not meet Medicare criteria for acute hospital admission and who needs monitoring and observation can be treated and safely discharged within 48 hours of arrival at the clinic.

Except when weather prevents transfer, there can be no more than 4 patients who meet the overnight stay definition in the FESC at any time.

Payment CMS will pay a flat prospective amount for each 4-hour period for a Medicare patient after the first 4 hours that the patient is in the clinic. CMS has not yet determined this payment rate. CMS is asking applicants to provide information on their costs and their potential for avoiding transfer to full service hospitals. Since the demonstration must be budget neutral for Medicare, we will establish a payment rate based on savings from foregone transfers.

Applications for the demonstration are due on November 24, 2006.

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